

PROCEDURES FOR WITHDRAWING SUBSIDIARY OVERSEAS LOAN TO STATE-OWNED BUSINESS ENTITIES AND REGIONAL GOVERNMENTS

(Regulation of the Minister of Finance Number 121/PMK.08/2016, dated July 26, 2016)

BY GRACE OF GOD THE ALMIGHTY

THE MINISTER OF FINANCE OF THE REPUBLIC OF INDONESIA,

Considering:

- a. that pursuant to the provision of Article 23 paragraph (2) of Law Number 17 Year 2003 on State Finance and Article 33 paragraph (1) of Law Number 1 Year 2004 on State Treasury, Regulation of the Minister of Finance Number 207/PMK.05/2008 on Procedures for Withdrawing Overseas Loan and/or Grant channeled to State-owned Business Entities/Regional Government as already amended by Regulation of the Minister of Finance Number 216/PMK. 05/2009 has been stipulated;
- b. that provisions in Regulation of the Minister of Finance Number 207/PMK.05/2008 along with the amendment thereto as meant in letter a, in the developments, need to be adjusted to the present condition, especially for provisions related to procedures for withdrawing subsidiary loan to state-owned business entities and regional government;
- c. that in connection with the adjustment as meant in letter b, it is necessary to re-regulate provisions on procedures for withdrawing subsidiary overseas loan to state-owned business entities and regional government;
- d. that having regards to letter a, letter b, and letter c, it is necessary to stipulate a regulation of the Minister of Finance on Procedures for Withdrawing Subsidiary Overseas Loan to State-owned Business Entities and Regional Government;

In view of:

- 1 . Law Number 17 Year 2003 on State Finance (Statute Book of the Republic of Indonesia Year 2003 Number 47, Supplement to Statute Book of the Republic of Indonesia Number 4286);
2. Law Number 1 Year 2004 on State Treasury (Statute Book of the Republic of Indonesia Year 2004 Number

- 5, Supplement to Statute Book of the Republic of Indonesia Number 4355);
3. Government Regulation Number 10 Year 2011 on Procedures for Procuring Overseas Loan and Receiving Grant (Statute Book of the Republic of Indonesia Year 2011 Number 23, Supplement to Statute Book of the Republic of Indonesia Number 5202);
4. Government Regulation Number 45 Year 2013 on Procedures for the Realization of State Budget of Revenue and Expenditure (Statute Book of the Republic of Indonesia Year 2013 Number 103, Supplement to Statute Book of the Republic of Indonesia Number 5423);
5. Regulation of the Minister of Finance Number 84/PMK. 05/2015 on Procedures for Withdrawing Overseas Loan and/or Grant (State Gazette of the Republic of Indonesia Year 20 15 Number 619);
6. Regulation of the Minister of Finance Number 231/PMK. 02/2015 on Procedures for Planning, Assessing, and Stipulating Allocation of Budget Constituting Right of State General Treasurer and Legalization of Completing List of the Realization of Budget of State General Treasurer (State Gazette of the Republic of Indonesia Year 2015 Number 1909);

DECIDES :

To stipulate:

THE REGULATION OF THE MINISTER OF FINANCE ON PROCEDURES FOR WITHDRAWING SUBSIDIARY OVERSEAS LOAN TO STATE-OWNED BUSINESS ENTITIES AND REGIONAL GOVERNMENT

CHAPTER I

GENERAL PROVISION

Article 1

Referred to in this regulation as:

1. Overseas Loan hereinafter abbreviated to PLN shall be every financing through debt obtained by the government from donor of PLN, which is bound by a loan agreement and is not in the form of state securities that has to be repaid with specified requirements.
2. Subsidiary Overseas Loan hereinafter abbreviated to PPLN shall be PLN channeled to recipient of PPLN , which has to be repaid with specified requirements.
3. Overseas Loan Agreement hereinafter called PLN Agreement shall be a written agreement on loan between the government and donor of PLN.

4. Subsidiary Agreement hereinafter abbreviated to subsidiary overseas loan agreement/PPLN shall be a written agreement on the channeling of loan between the government and recipient of PPLN.
5. Budget User of Subsidiary Loan hereinafter abbreviated to PA-PP shall be official holding authority to use budget of PPLN.
6. State Budget of Revenue and Expenditure hereinafter abbreviated to APBN shall be annual financial plan of state administration approved by the House of Representatives.
7. Completing List of the Realization of Budget of Subsidiary Loan hereinafter abbreviated to DIPA-PP shall be a document of the realization of budget prepared by KPA-PP.
8. Minister of Finance hereinafter called the minister shall be the minister in charge of state finance affairs.
9. Assistant to Budget User of Subsidiary Loan hereinafter abbreviated to PPA-PP shall be an organizational unit within the Ministry of Finance, which is stipulated by the minister and responsible for the management of budget of PPLN.
10. Leader of Assistant to Budget User of Subsidiary Loan hereinafter called Leader of PPA-PP shall be first-echelon official within the Ministry of Finance responsible for the channeling of PPLN funds and acting to sign DIPA-PP.
11. Proxy of Budget User of Subsidiary Loan hereinafter abbreviated to KPA-PP shall be an official securing assignment from the Minister PA-PP to execute authority and responsibility for the channeling of PPLN funds.
12. Official Preparing Commitment to Subsidiary Loan hereinafter abbreviated to PPK-PP shall be an official authorized by PA-PP/KPA-PP to execute task related to the channeling of PPLN funds.
13. Official Signing Order to Pay Subsidiary Loan hereinafter abbreviated to PPSPM-PP shall be an official authorized by PA-PP/KPA-PP to verify any request for the payment of PPLN and issue order to pay PPLN.
14. Government Internal Supervisory Apparatus of State Ministry/Institution hereinafter abbreviated to APIP K/L shall be inspectorate general/primary inspectorate/inspectorate or other name functionally executing internal supervision, which is responsible directly to minister/leader of institution.
15. Work Plan and Budget of Subsidiary Loan hereinafter abbreviated to RKA-PP shall be a planning document of budget containing detail of the need for funds in the form of the financing of annual subsidiary loan prepared by KPA-PP.
16. Plan of Expenditure on Subsidiary Loan hereinafter abbreviated to RDP-PP shall be a planning document of budget constituting part of budget that constitutes the collection of RKA-PP.
17. Payment Request hereinafter abbreviated to SPP shall be a document issued by KPA-PP/PPK-PP, which contains a request for the payment of claim to the state .
18. Payment Order hereinafter abbreviated to SPM shall be a document issued by PA-PP/KPA-PP or other appointed official to disburse funds resulting from DIPA-PP or other document treated such that.

19. Direct Payment hereinafter called PL shall be the withdrawal of funds by the appointed State Treasury Service Office on the basis of request of PA-PP/KPA-PP by submitting withdrawal application to donor of PLN to pay directly the addressed partner/party.
20. Pre-financing hereinafter called PP shall be a payment method executed by donor of PLN as funds substitution, which has activity financed first by burdening pure rupiah to account of state general treasurer /state general cash account or the appointed account.
21. Letter of Credit hereinafter abbreviated to L/C shall be a written promise of bank issuing L/C (issuing bank), which acts on the basis of request of applicant or in its name to pay the third party or exporter or proxy of exporter (part appointed by beneficiary/supplier) as long as requirement for L/C is fulfilled.
22. Special Account hereinafter called Reksus shall be government account opened by the minister at Bank Indonesia or bank appointed to collect and channel PLN funds and having balance restored (revolving) after the accountability for donor of PLN.
23. Statement of Performance/Payment Certificate shall be a document containing at least statement of funds user that supplier reserves a right to and deserves the payment in specified amount for the payment of payment bill as much as the amount mentioned in account of payment.
24. Central Government hereinafter called the government shall be the President of the Republic of Indonesia holding the executive power of the Republic of Indonesia as meant in the Constitution of 1945.
25. Regional Government hereinafter called Pemda shall be governor, regent or mayor and regional apparatus as element of regional administrator.
26. State-owned Business Entity hereinafter abbreviated to BUMN shall be a business entity having capital owned fully or mostly by the state through direct participation resulting from separated state assets.
27. State Treasury Service Office Especially for Loan and Grant hereinafter abbreviated to KPPN shall be vertical institution of the Directorate General of Treasury Affairs subordinate and responsible to the Director of State Cash Management.
28. No Objection Letter or document treated such that hereinafter abbreviated to NOL shall be a letter of approval from donor of PLN for a goods and service procurement contract with or without specified value limit on the basis of the stipulated kinds of work.

CHAPTER II

SCOPE

Article 2

The scope of this ministerial regulation shall cover procedures for withdrawing PPLN having funds resulting from PLN to BUMN and/or Pemda.

CHAPTER III

BUDGET USER/ASSISTANT TO BUDGET USER/PROXY OF
BUDGET USER/OFFICIAL PREPARING COMMITMENT

Article 3

- (1) The Minister as PA-PP shall be authorized to realize the budget of PPLN.
- (2) The Minister as PA-PP shall appoint the Director General of Treasury Affairs as leader of PPA-PP.
- (3) The Director General of Treasury Affairs as leader of PPA-PP shall execute task and authority with regards to PA-PP as meant in paragraph (1) as follows:
 - a. preparing indication of the need for PPLN funds in the planned fiscal year;
 - b. evaluating recommendation about the indication of the need for PPLN funds submitted by KPA-PP;
 - c. submitting recommendation about the need for PPLN funds to the Director General of Budgetary Affairs;
 - d. adjusting the recommendation about the need for PPLN funds based on indicative ceiling of PPLN stipulated by the minister;
 - e. submitting indication of the need for PPLN funds already adjusted to the Director General of Treasury Affairs;
 - f. preparing detail of budget ceiling of PPLN for KPA-PP on the basis of budget ceiling of PPLN stipulated by the Minister;
 - g. providing technical counseling and evaluating performance of the channeling of PPLN funds to KPA-PP in the framework of formulating RKA-PP;
 - h. examining RKA-PP and supporting documents submitted by KPA-PP;
 - i. formulating RDP-PP on the basis of budget ceiling of PPLN stipulated by the minister and/or adjusting RDP-PP on the basis of the allocation of PPLN budget;
 - j. preparing report on accountability for the management of budget item of PPLN which is managed in accordance with the provision of legislation regarding accounting and reporting system of the financial management of subsidiary loan;
 - k. preparing medium-term expenditure schedule by observing the Advanced Estimate and Strategic Plan; and
 - l. permitted to recommend the stipulation of KPA-PP to PA-PP.

Article 4

to be continued

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